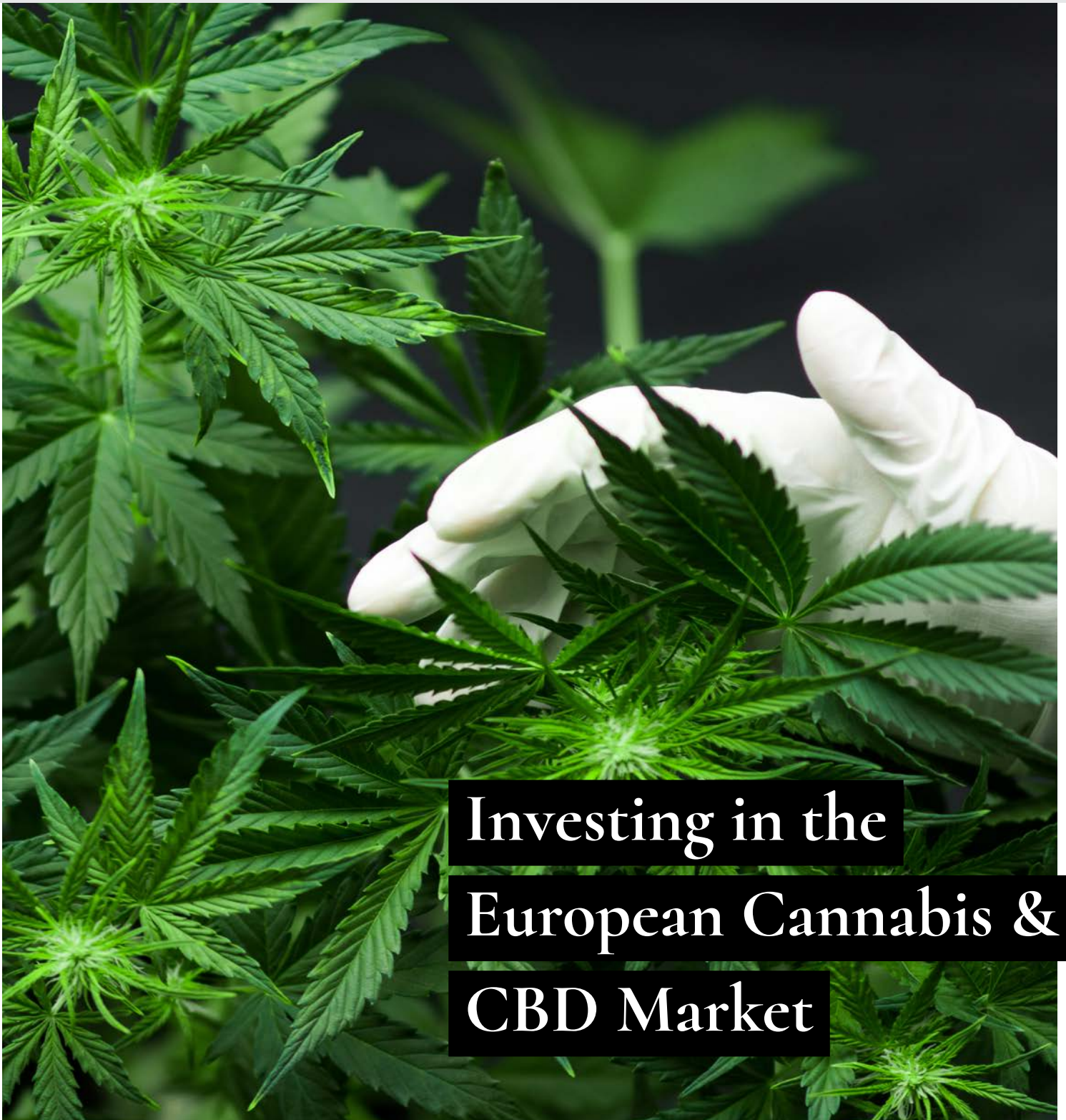


THE EDGE

CANNABIS | SUMMER 2019 EDITION



Investing in the
European Cannabis &
CBD Market



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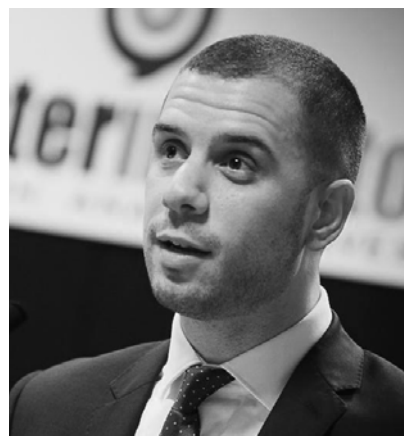
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Foreword

Dear Reader,

Welcome to the second issue of The Edge. A quarterly supplement to our main magazine Master Investor Magazine, The Edge allows us to take a deeper dive into specific investment themes. Following popular demand, this issue takes a closer look at the European Cannabis & CMB Market and explores the opportunities facing investors.



With the regulatory environment around Cannabis seemingly moving towards a more permissive stance, if not outright legalisation, and a renewed focus on the medicinal properties, investing in this emerging market can lead to significant investment returns. While North America has been leading the charge on Cannabis investment (more than \$10 billion was invested in 2018 alone), it is estimated that the nascent European Cannabis Market will be worth more than £100 billion within the next 10 years.

In this issue, we explore the challenges and opportunities in the industry, including the law around Cannabis and investing, the science behind the medical benefits and, of course, key investment considerations and strategies. Once again, we have been fortunate enough to get contributions from leading sector experts, including Jonathan Deverill of DAC Beachcroft, Ed McDermott (non-executive director of FastForward Innovations), Melissa Sturgess (CEO of Ananda Developments Plc),

Jeff Robinson (CEO of MJ MedTech, Inc) and Leon Giese (co-founder and CEO of Biodelta).

Thank you for taking the opportunity to read The Edge, we welcome any feedback and please do send us any suggestions for topics you'd like to see covered in detail in future issues.

Kind regards,



Manos Halicioglu

Guest Editor

P.s. Our next event, Master Investor Sheffield, is scheduled for 29th July 2019 at 18:00 and will be held at the offices of Jaywing Plc in Sheffield. The event will give private investors the unique opportunity to engage directly with the senior management of some of the most exciting and innovative companies in the country. Attendees will also be able to hear from investment experts discussing investment trends and the impact of the wider economic and political environment on investment portfolios. Go to www.masterinvestor.co.uk to find out more and book your ticket now.

Challenges in Investing in Medical Cannabis and Various CBD Products

By Jonathan Deverill, partner at DAC Beachcroft



My personal involvement in the medical cannabis sector stems from a visit I made to Western Canada, in my capacity as head of the firm's Canada Desk, in September 2017. Following that trip, a group of us here started looking at some of the relevant issues in the UK, and the practice has expanded out from there. Our clients now include some of Canada's largest cannabis companies, two UK listed companies and a variety of start-ups active in the medical cannabis field; and our team includes practitioners drawn from our market-leading health practice as well as our respected life sciences team.

Over the past 18 months or so, we have looked at a wide range of issues involving medical cannabis and various CBD products. There are two issues which have arisen time and again, and I set out below some high-level thoughts on each of them.

Proceeds of Crime Act 2002

One of the first issues we looked at was the UK Proceeds of Crime Act 2002 (POCA) and its implications for the medical cannabis and CBD sectors. The context has been, typically, an overseas investment opportunity, where UK investors may end up holding shares or debt instruments issued by a foreign company active in the cannabis industry. In time, those investors may receive dividends or interest payments from the underlying cannabis

business, and so the question becomes whether those funds could amount to the "proceeds of crime", receipt of which in the UK constitutes a criminal offence in its own right.

The UK imposes a dual test in such circumstances and, essentially, one needs to ask whether the activity is lawful in the place where it is done and, if it is, whether the same activity carried out in the UK would be punishable by more than 12 months imprisonment. The key offences under the UK's Misuse of Drugs Act 1971 all carry a maximum sentence of between five and fourteen years, so the threshold will almost certainly be met if an offence would be committed in the UK, and of course UK law does not allow recreational

“Companies active in the United States pose a challenge since we understand from US counsel that both medical and recreational cannabis are unlawful under US federal law.”

cannabis. Every analysis needs to be carried out by reference to the detailed fact pattern and with the benefit of proper overseas legal advice from local lawyers, but some common themes have emerged.

Companies active in the United States pose a challenge since we understand from US counsel that both medical and recreational cannabis are unlawful under US federal law, even where individual State law – to take California and Colorado as examples – permits the business in question. So it is usually very difficult, if not impossible, to answer “yes” in relation to the first question for such companies. We have, however, been involved in transactions in the United States involving hemp, where it has been possible to take advantage of the US Farm Bill regime, which exempts relevant hemp-based activities from the federal prohibition on cannabis.



Canadian law, in contrast, permits both medical and recreational cannabis, so in principle a Canadian company's business may be entirely lawful under local law. In the UK, the issue we often face in such a case is whether the company has a recreational element to its activities, since – as noted above – recreational cannabis activities are unlawful in the UK and therefore the second stage of the dual test under POCA – is the activity lawful in the UK? – frequently cannot be met.

Elsewhere, outside the United States and Canada, the analysis is likely to depend on whether or not the business is restricted to medical cannabis activities, or to CBD, since in both cases it may be possible to establish that, in the UK, there is a parallel licensing regime for that activity and, in such a case, it may be possible to meet the dual test set out in POCA.

CBD and “Novel Foods”

We have now advised in a number of situations in which a company wishes to sell CBD products to consumers in the UK. We understand that there are now over a thousand businesses – of differing sizes – offering CBD oils or other products containing CBD here, be it in high street shops, top-end department stores or on-line.

There is currently no specific law relating to CBD products and so we have to analyse it in the context of existing drug, medicines and food legislation.

As regards the Misuse of Drugs Act 1971, the Home Office's main concern is the level of THC – the compound which creates the “high” – in the product. To be lawful, a CBD product should be produced from seeds which do not contain in excess of 0.2% THC; and the bottle or other container offered for sale should not contain more than one milligram of THC. The vendor should have a laboratory report and other materials showing compliance with these requirements.

CBD products are typically sold as “wellbeing” products or “food supplements”, rather than as medicines, without packaging or advertising making health claims about the product. Provided this is done correctly, and subject to scientific evidence of the effect on the human body, the product should fall outside UK medicines law and it should be possible to sell it without a marketing authorisation from the MHRA.

The main focus of food law is on safety and the make-up of a product. Sellers of CBD products should therefore have a “full spectrum” laboratory test – already required in the context of the THC content, as noted above – carried out, ideally in



the UK, to check for possible harmful substances within the product and also to assist in the preparation of label.

A recent development has been the decision of the European food safety regulator to classify most forms of CBD as a “Novel Food”. “Novel Food” is defined as food that had not been consumed to a significant degree by humans in the EU before 15 May 1997, when the first Regulation on novel food came into force. Novel Food can be newly developed, innovative food, food produced using new technologies and production processes, as well as food which is or has been traditionally eaten outside of the EU. The Novel Food in question could be a fruit, a nut or meat: the regime isn't specifically aimed at CBD products.

The principles underpinning Novel Food in the European Union are that Novel Foods must be: safe for consumers; properly labelled, so as not to mislead consumers; and, if novel food is intended to replace another food, it must not differ in a way that the consumption of the Novel Food would be nutritionally disadvantageous for the consumer.

Before a Novel Food can be legally marketed in the EU, a pre-market safety assessment and authorisation on the basis of an evaluation in-line with the above principles is necessary.

While the Novel Food Catalogue is non-exhaustive and carries no legal power, it is frequently updated and amended with input from Member States, and is used as reference by authorities in EU countries to aid enforcement of Novel Food Regulations.

A change to the EU Novel Foods Catalogue took place in January 2019 when it was updated to reflect discussions amongst EU Member States. The change in relation to CBD reflects that, despite discussions with industry, no EU Member State has been able to confirm a significant history of consumption of CBD extracts prior to May 1997.

The UK Food Standards Agency (FSA) consulted with industry representatives, local authorities and other stakeholders following this change to the EU Novel Foods Catalogue. The consultation ended on 31 March 2019 and the FSA subsequently reported that food businesses had not been able to show that there had been a significant history of consumption of these products in food or food supplements in the EU prior to 15 May 1997. Accordingly, the FSA has now stated that it accepts the clarification from the EU that CBD extracts are considered Novel Foods.

CBD products therefore need to be evaluated and authorised as Novel Foods before they will be permitted to be placed on the market. The FSA has stated that it is *“committed to finding a*



“The FSA has now stated that it accepts the clarification from the EU that CBD extracts are considered Novel Foods.”

proportionate way forward by working with local authorities, businesses and consumers to clarify how to achieve compliance in the marketplace in a proportionate manner”. To date, there has been no clarification about what this proportionate way forward will involve but equally, there has been no call for existing products to be withdrawn.

However, new CBD products will need to follow the Novel Food application process prior to such products being placed on the market. In preparing a dossier for the registration of their products as a Novel Food, the information required and guidance on the scientific requirements for an application are set out by the European Food Safety Authority.

We also understand that one UK CBD trade body is challenging the FSA’s decision to classify CBD oil as a Novel Food, but again this has not affected the FSA’s position to date.



Jonathan Deverill is one of the leading medical cannabis lawyers in the UK with over 20 years’

experience in corporate and commercial work, including IPOs (AIM, UK Official List and Toronto Stock Exchange) and other securities offerings, M&A, takeovers and joint ventures. Over the years Jonathan has been involved in a significant number of cross-border transactions, particularly in the Canadian market and he is one of the first specialised commercial lawyers in the field of medical cannabis and CBD.

 [@DeverillJ](https://twitter.com/DeverillJ)

 www.dacbeachcroft.com

DAC Beachcroft

The DAC Beachcroft Medical Cannabis team supports both domestic and overseas clients on a variety of matters in this fast-evolving, entrepreneurial sector. Corporate Partner Jonathan Deverill leads the team, with expertise drawn from across the firm’s health, public law, corporate, life sciences and product liability teams. DACB counts amongst its clients in this sector several well-known Canadian-listed companies, certain UK-listed companies, and a number of start-up businesses operating both in the UK and elsewhere, as well as investment firms and stockbrokers.

Investing in Cannabis

History and Background

By Ed McDermott, non-executive director of FastForward Innovations



Only in recent times has cannabis begun to carry less of a stigma. There is still some way to go but the consensus appears to be that many believe that cannabis has multiple medicinal qualities.

Investing in cannabis has captured the minds and capital of a swathe of investors in the wake of a booming North American cannabis trade. With multiple companies having reached over \$10bn in market cap, and a few reaching over \$20bn, it's no wonder investors are keen to get exposure to the substantial gains that can be made from this complex plant. The cannabis plant is known to have over 100 individual cannabinoids, the most commonly discussed being THC and CBD. THC is the psychoactive compound that makes cannabis a narcotic, and is the reason the plant has varying laws surrounding it. CBD has arguably become the most widely discussed cannabinoid due to the fact it can be derived from Hemp, which put simply is a cannabis plant with very low levels of THC. In many countries, Hemp can be grown to contain up to 0.2% or 0.3% THC. Hemp has been used for centuries in textile making and other industrial uses.

There are many other cannabinoids that are believed to be of benefit to humans and animals. There has been very little research into these compounds as cannabis was assumed to have limited medicinal use. This resulted in a major lack of clinical research.

“Cannabis is in fact illegal in Holland but has been decriminalised.”

Only in the 2000s has this started to change and more capital has been channelled into researching the plant in the past 5 years than the 100 years prior.

Cannabis is actually only recreationally legal at a federal level in a few countries, with Uruguay and Canada being the notable first movers. The United States for instance allows individual states to decide their own state laws, but Cannabis remains illegal at federal level. This has major implications for financial institutions in America and that is why the majority of US companies originally were quoted on Canadian markets. Many have heard of Amsterdam's famous coffee shops where customers can use cannabis on the premises. Cannabis is in fact illegal in Holland but has been decriminalised. There is a tolerance for personal use and coffee shops can sell it for personal use.

It's complexed and extremely specific but the deregulation and tolerance is why we are in the embryonic stages of a cannabis market which is extremely promising.



There are 4 key themes in the cannabis industry:

1. Pharmaceutical products from cannabinoids (i.e. Sativex developed by GW Pharma);
2. Medical cannabis or Phyto therapies (i.e. plant based medicines prescribed by a doctor or specialist for a specific condition);
3. Cannabinoid wellness (i.e. CBD oil and Hemp tea); and
4. Recreational.

From an investment stance, themes 1-3 are all that are relevant as a UK investor looking to have exposure to the cannabis industry.

UK investors need to know it is actually illegal for a UK investor to buy a share in a Canadian cannabis company that sells or makes money

“It is actually illegal for a UK investor to buy a share in a Canadian cannabis company that sells or makes money from recreational cannabis sales.”

from recreational cannabis sales. Yes, cannabis is legal for recreational use in Canada, but it's not in the UK. In the UK, we have the Proceeds of Crime act or POCA. POCA dictates that a person or companies' profits from a legal activity in another territory are illegal if that activity is illegal here in the UK.

In the UK, we are allowed to invest in companies that are solely involved in medical cannabis and legal cannabinoids, such as Cannabinol (CBD).

It's important to make another distinction here; when people talk about cannabis and medical cannabis they are normally referring to products that contain THC. Many companies have tried to brand themselves as medical cannabis companies but are really referring to CBD wellness products that are legal cannabinoids, but are not medicines and cannot be marketed as medicines or indeed claim any medicinal benefits. This does not dilute the significance of the CBD wellness market as it is already growing exponentially. As an investor, it is important to distinguish the difference because, whether THC or CBD is involved, the regulatory hurdles to navigate through are different, and when making any investment it's important to know that the intended recipient of your capital has a very good understanding of the market(s) they are in or intend to be in.



FastForward Innovations and other investment opportunities

The type of person in leadership roles in the cannabis sector is quite diverse. After all, this is an embryonic legal market, and the person at the top is a key consideration in selecting the right businesses to invest in. Certainly, that's been a key for FastForward innovations (LON:FFWD) in making decisions around our own investments. FastForward made its first investment into medical cannabis via its investment in Nuuvera, a company co-founded by Lorne Abony, the CEO of FastForward innovations.

Nuuvera presented a well-capitalised, well lead and thoughtful opportunity for FastForward. A Canadian company with an international approach when so many companies in the industry

had focussed only on North American markets made a great deal of sense to us as a board, the biggest hurdle was acceptance from the regulators. Ultimately, we were allowed to make the investment on the basis that we would have to dispose of our asset in advance of Nuuvera being engaged in any recreational cannabis business activity. Nuuvera was quoted on the TSX and within 20 days of floating, Nuuvera was approached by Aphria (NYSE: APHA), a Canadian medical cannabis company, for a headline figure of over \$800m Canadian dollars. Aphria was still trading at the time, so the share price of Aphria on the day of closing valued the deal at \$425m. This represented a near 500% return on FastForward's \$3m investment and FastForward was free to sell the shares.

On the back of the success of Nuuvera, eyes were on Europe. Capital had formed in Canada and the USA, and with such large returns being generated, it made sense that capital would flow through to Europe, which represented a population almost twice that of North America. In addition, de regulation of medical cannabis was starting to occur in multiple European countries. In 2014, there were 5 countries with a legal medical cannabis policy; by 2018, there were 24 countries; and in 2019, there are another 20 countries exploring

legalisation of medical cannabis, with Spain and France being the most notable in Europe.

In early 2018, I co-founded EMMAC Life Sciences with a view to becoming the European independent medical cannabis champion. In just over a year, the company has grown to nearly 100 extremely capable individuals and we are operational in 8 countries and counting. Despite early warning to the regulators, FastForward was not approved to take part in the seed round, which is disappointing; however, FastForward now owns 2.6% of EMMAC, which is similar to its position in Nuuvera.

It is easy to talk about a company I know and understand very well; it is always more challenging to objectively look at opportunities that have no related parties involved. There are always good opportunities circulating but whatever industry you are investing in, I believe the key things are assets, management and cash. Businesses don't go bust because they don't make a profit for a few years; they go bust because they run out of cash. With this in mind it's crucial that the assets/concept is fundable, the management leading it are investible and there is sufficient capital to execute the business plan and become profitable and self-sustaining.

Medical cannabis investments are no different and having discipline in one's investment approach is key. Europe is still thin on the ground with publicly quoted medical cannabis companies. There are some micro-cap offerings which seemingly have an attractive strategy but mostly lack the capital and operational capabilities to scale up quickly. On the most junior exchange, NEX, there are a few investment companies that seem to be beginning to transition towards operational businesses. This is not easy and I believe having some initial scale as an investment company is key.

As a fund, FastForward continues to assess medical cannabis, wellness and general life science opportunities and our board is very experienced in this area. Jim Mellon sees a great deal of opportunities in the life sciences sector and FastForward was pleased to invest in his longevity company Juvenescence

“Businesses don't go bust because they don't make a profit for a few years; they go bust because they run out of cash.”

and Intensity therapeutics, a promising biotech company. Lorne, Jim and I see a huge number of medical cannabis and wellness opportunities but we are also mindful that the funds need to be invested in the best management teams, with the best strategies we can find. All I can say at this time is we have exciting things happening and do keep FastForward on your watch list, we have certainly been humbled during the last 6 month of macro deleveraging and lower liquidity in the market.

Our last audited net asset value was 11.4p a share and we trade at a sizeable discount today. With exposure to medical cannabis, longevity, gaming and tech oriented positions, we feel we are in a strong position to see plenty of value created. Today, we remain the only AIM quoted company since GW Pharma to be directly invested in medical cannabis, I expect it won't be long before we have more exposure to this exciting and burgeoning industry. Where it comes to your own investments I can't stress how important thorough research is; there is no substitute for understanding the intended companies' management, assets and cash position is. Beyond this you're looking for key items such as the number of licenses in the territory they operate in, competitors in the company's intended markets and the current size

and projected size of the markets the company wants to penetrate.

If the business you want to invest in is quoted, it's also very sensible to build a position rather than going all in on day one. Where possible decide what you want your total exposure to be and gradually build. The market is volatile and the price can come down as quickly as it might go up, so average entry price is what will matter at the time of realising your profits. Equally, don't get emotionally involved as sometimes being able to cut your losses and moving on is a good trade. It's a great skill to have in your armoury and being able to analyse negative events or read newsflow correctly will potentially save you from big losses. Never be upset about taking profit, I have yet to meet any investor who gets in at the bottom and out at the very top. That takes more than just skill and ultimately investing is about learning while making sure you ultimately outperform the market. Good luck with your investing in Medical cannabis, it's going to be a very interesting 2019 and I suspect 2020 will see a swathe of medical cannabis companies hitting the markets.



Ed McDermott a former investment banker, has 15 years' experience in the management, financing and development of growth companies internationally. He has broad experience in a number of sectors including medicinal cannabis, natural resources, technology and financial services.

Ed is currently Executive Director and UK Managing Director of EMMAC Life Sciences Ltd and a Non-Executive Director of Emmerson Plc listed on the London Stock Exchange (Standard Listing). He has held a number of Executive and Non-Executive roles with public and private companies.

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 <https://fstfwd.co>

FastForward

FastForward Innovations invests in companies developing emerging technologies that will shape the future.

We are principally focused on early stage investments and aim to bring investment opportunities often reserved for venture capital firms to the average investor. Dedicated to the success of each of our portfolio companies, we believe that their products and services will be transformative.

Alongside investments in FinTech, BioTech, EdTech and Gaming, we are the only AIM company currently invested in a medically focused Cannabis business, having successfully invested in EMMAC Life Sciences in March 2019. This investment follows our success in Nuuvera Inc. in 2017/18.

Terpenes and the Cannabis Plant

Understanding the science behind the investment opportunity

By Melissa Sturgess, CEO Ananda Developments Plc



An interest in cannabis invariably leads to the subject of cannabinoids and terpenes. The cannabis plant contains a range of chemical compounds called cannabinoids which are proving, through scientific investigation, to have a range of medicinal qualities and benefits. Alongside the cannabinoids are terpenes which are responsible for the taste and smell of the cannabis.

What exactly are cannabinoids and terpenes?

If you think of cannabis as 'just another plant' it is easier to consider it as a legitimate and useful part of medicine, health and wellness. We all know of many plants through history that have been shown to have medicinal applications. Cannabinoids are naturally occurring compounds found in the cannabis plant which interact with specific receptors on the surface of cells in the brain and body.

Terpenes, also found within these plants, are responsible for enhancing the effect of cannabinoids via smell and taste and also via some interesting chemical actions. More specifically, terpenes are a group of organic compounds that are found in many plant species. Terpenes were developed in the plant kingdom to, amongst other things, ward off herbivores and attract pollinators.

There are over one hundred known terpenes in nature, and there are five major terpenes found

in the cannabis plant. They are an important component of the cannabis plant and the base elements of essential oils. The whole discipline of aromatherapy is based on the effects and benefits of terpenes and the unique aroma and tastes of plants come from these terpenes. Different terpenes cause plants to have their own unique smells, taste and effects on the body. For example, we know that terpenes in lavender assists a person to feel calm and relaxed. You may not know that at small levels this is the case but in larger amounts lavender is actually a stimulant.

Terpenes, cannabinoids and the endocannabinoid system

Within the cannabis plant, terpenes are an integral part of the entourage effect, a term used to explain the synergistic effect of the different cannabis compounds on our body.

“If you think of cannabis as 'just another plant' it is easier to consider it as a legitimate and useful part of medicine, health and wellness.”

“There is also scientific research being done on the ability of cannabinoids and terpenes to kill specific sorts of cancer cells.”





The terpene β -Myrcene assists with cell permeability which opens up the blood brain barrier and allows cannabinoids to be absorbed efficiently into the brain. Limonene has a similar effect and also improves the absorption of other terpenes and chemicals by way of the skin, mucous membranes and digestive tract. Without these incredible compounds the effect of cannabis is not as beneficial or efficient.

The endocannabinoid system is a relatively recently discovered system of the body. It is one of a number of similar important systems including the endocrine system, central nervous system, the digestive system and the skeletal system. The endocannabinoid system is responsible for maintaining

homeostasis (balance) in the body. For example, the endocannabinoid system fires up under stress, releases naturally occurring (endo) cannabinoids which bind to receptors resulting in a decrease in the feeling of stress. Certain cannabinoids from the cannabis plant do exactly the same thing, in a way supplementing the body's natural system.

The two most important receptors to which the naturally occurring and plant based (phyto) cannabinoids bind are called CB1 and CB2 receptors. They are found in the brain and the body. The cannabinoids effectively work as a key and the receptors work as a lock. Terpenes also interact with the endocannabinoid system by binding

to some of the same receptors that cannabinoids bind to, effectively assisting the cannabinoids in their work and creating their own impact on chemical activity in the receptors. All cannabis strains contain a percentage of each terpene in different quantities and different strains of cannabis will have different effects on the body according to their unique cannabinoid and terpene profile.

The effects of terpenes

Terpenes can appear to act in opposition to each other; however, if you remember that the endocannabinoid system is

all about homeostasis then it can be conceived that these compounds are acting in synergy with each other to achieve balance. A little bit of this and a little bit of that! For example, the calming and relaxing effects of Linalool can balance the creative and alert effects of Pinene.

Many of the medicinal claims surrounding terpenes are becoming increasingly verified by science. Prominent scientists are looking at ways in which terpenes and cannabinoids interact with the body and how they can be shown scientifically to have effects such as reducing inflammation

Common Cannabis Terpenes					
	LIMONENE	PINENE	MYRCENE	LINALOOL	CAROPHYLLENE
AROMA	CITRUS	PINE	MUSKY, EARTHY	FLORAL, SWEET	WOOD, SPICE
EFFECTS	STRESS RELIEF ELEVATED MOOD	CREATIVITY ALERTNESS EUPHORIA	SEDATION BODY HIGH RELAXATION	CALMING RELAXATION	NO NOTED EFFECTS
BENEFITS	ANTI-ANXIETY ANTIDEPRESSANT	ASTHMA ANTIFLAMMATION	ANTIOXIDANT INSOMNIA	ANTI-ANXIETY SEDATING	CHRONIC PAIN INSOMNIA
ALSO FOUND IN	CITRUS PEPPERMINT	PINE, PARSLEY, BASIL, ROSEMARY	MANGO, THYME, LEMONGRASS	LAVENDER ROSEWOOD	PEPPER CLOVE

Source: <https://montanawellness.co>

or increasing a sense of calm. There is also scientific research being done on the ability of cannabinoids and terpenes to kill specific sorts of cancer cells. Essentially, there is a vast amount of interesting and forward-thinking research being undertaken on cannabinoids and terpenes but we are still in the very early days of understanding exactly how this incredible plant works and how terpenes are an important part of the whole cannabis story.



Melissa Sturgess holds a BSc and an MBA and has more than 20 years of experience as a director of UK and Australian Stock Exchange quoted companies, mainly involved in the acquisition, structuring and financing of natural resources deals across Africa. Miss Sturgess commenced her career in Australia as a member of the Executive Committee of Aquarius Platinum Limited, one of the first Australia/UK dual listed companies and a miner of platinum in South Africa and Zimbabwe. She was also founding director of Sylvania Resources Limited and a number of other companies operating in the metals and mining sector throughout Africa and listed on the AIM Market in London. Miss Sturgess relocated to London in 2006 and

during her career has raised significant amounts of capital. She was a key driver in the successful recapitalisation of Messaging International plc during 2016 which subsequently changed its name to SigmaRoc Plc, acquired a building materials business via a reverse takeover and raised £50 million from a range of investors in the Channel Islands and the UK. Miss Sturgess' interest in the cannabis sector started in 2017 with a trip to Israel to review the Medicinal Cannabis research that is happening in that country. She subsequently founded Ananda Developments to invest in the sector and is its largest shareholder.

 [@1auschick](https://twitter.com/1auschick)

 <http://anandadevelopments.com>

Ananda Developments plc

The Company's investment strategy is to invest in companies, projects or products that are either progressing medicinal or therapeutic Cannabis research and development, or are developing or have already developed, products that contain Cannabis derived cannabinoids and require funding to progress work plans or commercialise products. Ananda will look to invest in companies or projects in Israel, Canada and the Netherlands.

CBD Oil Could Help You Quit Smoking

By Jeff Robinson, Chief Executive Officer of MJ MedTech, Inc.



Smoking is a dangerous pastime. According to the World Health Organization, cigarettes kill as many as 7 million people each year. However, the hardest part about smoking is quitting. Especially since, according to the National Institute on Drug Abuse, nicotine can be as addictive as heroin and cocaine.

More than 85% of smokers who try to stop can't deal with the anxiety, pain, and cravings that come with nicotine withdrawal and end-up relapsing - often within a week of quitting.

Four years ago I co-founded an Internet of Things start-up with 2 partners - one being Dr. Anna Leralta, the Chief Marketing Officer of Wuhan - a quit smoking solution called KwitCase. The idea and technology was sound, the user experience was painful. The big idea was to connect a smart cigarette case to a dedicated mobile app that would use AI to monitor and suggest ways to get you through your craving periods. Ultimately, the project failed as smokers did not want to have to put in all the work to get the feedback necessary to get them on the right track.

The good news is that CBD oil could just be the simple solution to offer relief to some of these symptoms and increase your chances of breaking your nicotine habit for good. Under the "Dr. AnnaRx" brand, MJ MedTech, Inc. will be offering a very simple to use quit smoking spray late 2019.

“More than 85% of smokers who try to stop can't deal with the anxiety, pain, and cravings that come with nicotine withdrawal.”

CBD oil could help reduce nicotine cravings

A 2013 study from the University College of London showed that people who took CBD oil reduced their cigarette consumption by 40%, despite not being told to stop or reduce their smoking rate. Researchers believe that the results of this study suggest that CBD could be used to alter the memories associated with smoking.

Normally, when a smoker sees or smells somebody else smoking, it triggers a signal in his brain that reminds him how good it feels to smoke a cigarette.

CBD oil could help alter these memories by targeting them at the vulnerable point when they are transiting between our short-term and long-term memories - a process called memory reconsolidation.

Eventually, this could allow the user to modify his memory enough to associate smoking with negative thoughts rather than with its dopamine-induced pleasure.

CBD oil could help lessen the painful withdrawal symptoms

CBD oil's ability to feed the human endocannabinoid system could help smokers deal with the painful symptoms which follow nicotine withdrawal.

The endocannabinoid system is a biological system which fulfils a wide variety of purposes in our body, going from regulating hunger to controlling our metabolism, managing stress and anxiety, improving immune function, and regulating sleep - among others.

By activating this system, CBD oil could calm smokers' nerves while also helping them deal with depression, physical pain, nausea, and other uncomfortable symptoms of nicotine withdrawal.

Vaping CBD oil could be a healthier alternative to smoking cannabis cigarettes

Some smokers have managed to quit tobacco by switching to marijuana. The logic behind the method is that smoking cannabis can trick your brain



into believing it's a cigarette but without letting any toxic tobacco into your lungs.

However, this way of thinking is flawed because no matter what you're smoking, smoke is generally bad for you. Whether it's a cigarette or a joint, the temperature of smoke can damage your lungs and increase your chances of developing chronic health issues over time.

Vaping CBD oil could be a safer alternative as the temperature at which the oil is burned is much lower than that of a cigarette or a joint. Plus, you're also getting the best of both worlds, since you get to simulate smoking without actually putting dangerous substances into your lungs.

The research on CBD oil is still ongoing; however, despite our limited knowledge, the positives of using CBD oil seem to far outweigh the negatives.



Under the leadership and guidance of Dr. Anna, Wuhan will be conducting some most interesting clinical research at our facilities in Franschhoek, South Africa, related to smoking cessation using CBD and a proprietary blend of actives found in the mushroom family.

So why not give it a try? CBD oil could have a calming effect on your withdrawal nerves, or at the very least give you something else to puff while you get over the hump.

And keep your eyes open for the upcoming launch of the Dr. AnnaRx quit smoking spray! Tastes great and it works!

References

- Highland Pharms (2016, December 13) Can CBD Help Break the Nicotine Habit
- Remedy Review (2018, September 18) Can a CBD pre-roll help you quit smoking?

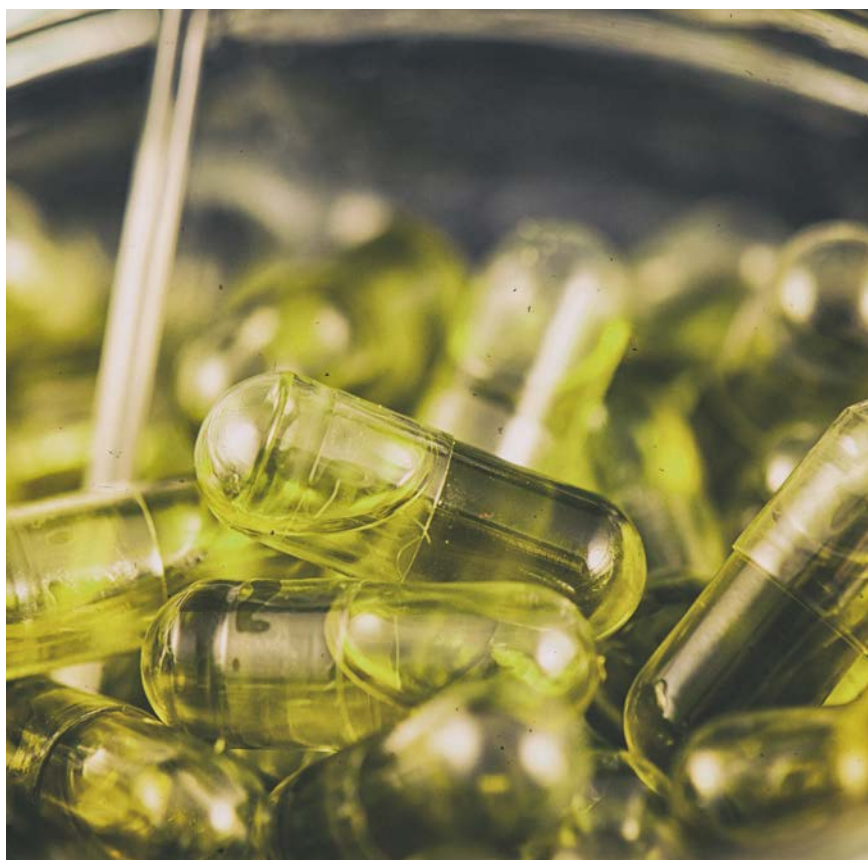
- Tonic (2018, June 13) CBD Could Help People Smoke Fewer Cigarettes
- Entheo Nation. Study Says CBD Cannabis Oil Can Help You Quit Smoking



Jeff Robinson is an investor and observer of the stock markets with over 35 years of experience. Originally from Toronto, Canada, Jeff has lived in many technology hubs around the world, and now resides in Barcelona, Spain. He attended the Toronto French School, and studied Economics at York University. He has worked at and started many companies, from the insurance and financial sectors, to oil and gas, media and films, health and wellness and biotechnology. He has taken part in many ventures globally, and is now the CEO of MJ Medtech Corporation and Internet Bull Report.

Africa, the New Global Leader in Cannabis?

By Leon Giese, Co-founder and CEO of Biodelta



If you enjoyed a cup of coffee, slab of chocolate, tobacco product, glass of wine or bowl of fruit today - chances are that it was grown in Africa. So why not your future cannabis products?

Africa has been producing world class produce for domestic and international markets for over a hundred years. Starbucks has sourced its coffee beans, Nestle its cocoa, Rothmans its tobacco and Tesco and Sainsbury their fruit, from Africa, for decades. I believe that Africa will soon play a significant role in the global cannabis market.

Africa is home to 1.3 billion people living in 54 countries spread over 11.6 million square miles and boasts an annual GDP of \$4.5 Trillion. It has approximately 600 million hectares of uncultivated arable land, roughly 60 percent of the global total. This offers up a massive opportunity for Africans to cultivate a world class cannabis industry that would allow Africa to supply the world's demand of cannabis many times over.

“The potential for commercialising cannabis supply from Africa is immense.”

Our climate is perfectly suited to growing cannabis as we are blessed with excellent water quality and a plethora of sunlight and natural heat. This abundance plus our inexpensive cost of labour means that Africa is able to produce at a fraction of the cost compared to North America and Europe.

The potential for commercialising cannabis supply from Africa is immense. There is no shortage of excitement and interest from the Northern Hemisphere to invest into the new regulated African cannabis industry. Licences have recently been granted in Lesotho, Zimbabwe, Malawi, Swaziland and South Africa as governments realise the enormous potential that growing cannabis presents for their economy. Our company Bidelta will be working with these growers to provide them sales offtake whilst securing supply for a growing demand both inside and outside of Africa.

Bidelta was founded in 2004, in the renowned wine producing region of Franschhoek, to commercialise the Algal Biotech product Spirulina. We grew organic Spirulina under high-quality standards, exporting to pharma companies in Europe, North America and Asia. Bidelta maintains its high-quality standards and is Organic Certified. Bidelta has 20 hectares of land with 2.3 hectares of grow tunnels, 8 industrial evaporative drying ovens and a specialized manufacturing facility which

is able to process tablets, capsules, tea, sachets and liquids.

Boidelta is pleased to be partnering with the Agricultural Research Council (ARC), a distinguished scientific body whose mission it is to support and develop the agricultural sector through its research with partners. As a leading agricultural science organisation in Africa, ARC has 20 years' experience in growing industrial crops such as Cotton, Tobacco and Hemp. It is also with ARC that we are developing medicinal mushroom

“As a leading agricultural science organisation in Africa, ARC has 20 years' experience in growing industrial crops such as Cotton, Tobacco and Hemp.”



technologies in preparedness to commercialise this exciting next wave of natural medical science. Biodelta, our partner Wuhan and ARC are jointly determined to build out the largest cannabis grow operation in the world.

Biodelta's initial focus will be on developing the supply chain, from seed to shelf; however, as the industry develops, the focus will shift to the supply of raw materials and, through its partnership with Wuhan, on developing the Dr Anna Rx Brand of premium Cannabidiol (CBD) products. Dr Anna Rx speaks to Mum and Dad in a language that they understand, informing them of exactly what they are buying and why it can assist them to help heal themselves and their family.

CBD is a very versatile ingredient. We are formulating cosmetics, hot drinks, children's sweets, personal care products as well as traditional dosage forms such as tablets, capsules and drops. And let's not forget about our pets - where CBD shows lots of promise. The synergy between Wuhan, Biodelta and ARC allows each of us to play to our inherent strengths whilst ensuring that as a collective we master the process from seed to shelf and spore to store.



Leon Giese is the co-founder and CEO of South African based Biodelta, an industry leader in design, manufacturing and distribution of health supplements internationally. He consults to the pharma industry on product development and supply chain optimisation. He has a Business Degree (UCT), Packaging Technology Diploma (CPUT) and Coaching Diploma (TCC). He is passionate about helping people and organisations to reach their full potential.

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🌐 www.biodelta.net



BioDelta

BioDelta are a contract manufacturing company that is changing the way manufacturing is perceived in the value chain of getting products to the consumer. BioDelta bring logical thought into the areas of policies, procedures and measurements within the value chain where we have influence or control. BioDelta partner with you to focus on key areas that deliver the most impact for the most important part of the value chain – the consumer.

Investor Events Diary

EVERY WEDNESDAY | 12:30**Event:** SR Live webinar**Organiser:** SyndicateRoom**Place:** Webinar

2 JULY | 19:00-23:00**Event:** UKBAA Angel Investment Awards and Gala Dinner 2019**Organiser:** UKBAA**Place:** Illuminate at the Science Museum, London**Tickets or sponsorship:** <http://awards.ukbaa.org.uk>

29 JULY | 18:00-21:00**Event:** Master Investor Sheffield meetup**Organiser:** Master Investor**Place:** Jaywing, Albert Works, Sidney Street, Sheffield, S1 4RG**Tickets:** 50% discount code: CANNABIS <https://misheffield.eventbrite.co.uk>

25 OCTOBER | 09:30-17:00**Event:** London Investor Show**Organiser:** UK Investor Events**Place:** Novotel London West, 1 Shortlands, London, W6 8DR**Tickets:** <https://eventbrite.co.uk/e/london-investor-show-2019-tickets-53471905910>

13 NOVEMBER | 10:00-17:00**Event:** Investing in the age of Longevity**Organiser:** Master Investor and Longevity Forum**Place:** Science Gallery, Great Maze Pond, London, SE1 9GU**Tickets:** <https://milongevity.eventbrite.co.uk>

28 MARCH 2020 | 09:30-17:00**Event:** Master Investor Show**Organiser:** Master Investor**Place:** Business Design Centre, 52 Upper St, London, N1 0QH**Tickets:** 50% discount code: CANNABIS <https://masterinvestorshow.eventbrite.co.uk>

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